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**ICC APPROVES MID-AMERICAN ENERGY SETTLEMENT
\$5 Million Refund To Be Credited To Customer Bills**

The Illinois Commerce Commission has approved a settlement in a series of Mid-American Energy Company purchased gas adjustment cases that will result in a \$5 million refund to the company's Illinois natural gas customers.

The settlement concludes purchased gas reconciliation proceedings for 2001 and 2002, as well as the question of whether Mid-American should be sanctioned for actions related to purchases and sales at market rates throughout the Midwest, contrary to Illinois law from 2001 through 2004. The refund will be made in the form of a one time credit through the purchased gas adjustment on customers' bill. The credit is expected to be applied on the next monthly bills.

The reconciliation cases consist of a review of costs associated with the purchase of natural gas for customers each month and they are conducted annually. In 2003 Mid-American sought clarification whether it was conducting its competitive gas business in Illinois in accordance with legal and regulatory requirements. The Commission determined that the Public Utilities Act at that time did not authorize sales of natural gas at untariffed rates and that revenue from the sale of natural gas outside of its market should be considered in fuel reconciliation proceedings.

Parties to the settlement included Mid-American Energy, ICC staff, the Citizens Utility Board and the Attorney General.

The purchased gas adjustment reconciliation cases for 2003 and 2004 are continuing.

Mid-American provides gas and electric service to customers in Illinois, Iowa, South Dakota and Nebraska. Approximately 10 percent of its gas is delivered to retail customers in Illinois.

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